

# HOUSE BILL No. 1222

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5.

**Synopsis:** Sales tax exemption for farm items. Exempts a farmer's purchases of agricultural field tile, center pivots, and ditch pumps from the sales tax if the items are used in fields used to produce food and food ingredients or commodities for sale.

**Effective:** July 1, 2004.

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**Gutwein, Stutzman, Chowning**

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January 15, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## HOUSE BILL No. 1222

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-2.5-1-28 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 28. "Agricultural field tile" means a:**

(1) **fired clay or concrete tile; or**  
(2) **flexible or rigid perforated plastic pipe or tube;**  
**incorporated into a subsurface drainage system appurtenant to land used to grow agricultural crops.**

SECTION 2. IC 6-2.5-5-2, AS AMENDED BY P.L.257-2003, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 2. (a) Transactions involving agricultural machinery, tools, and equipment are exempt from the state gross retail tax if the person acquiring that property acquires it for his the person's direct use in the direct production, extraction, harvesting, or processing of agricultural commodities.**

**(b) Transactions involving agricultural machinery or equipment are exempt from the state gross retail tax if:**

**(1) the person acquiring the property acquires it for use in**

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1 conjunction with the production of food and food ingredients or  
 2 commodities for sale;

3 (2) the person acquiring the property is occupationally engaged in  
 4 the production of food or commodities ~~which he~~ **that the person**  
 5 sells for human or animal consumption or uses for further food  
 6 and food ingredients or commodity production; and

7 (3) the machinery or equipment is designed for use in gathering,  
 8 moving, or spreading animal waste.

9 **(c) Transactions involving agricultural field tile, center pivots,**  
 10 **or ditch pumps are exempt from the state gross retail tax if:**

11 **(1) the person acquiring the property acquires it for use in**  
 12 **conjunction with a field used for the production of food and**  
 13 **food ingredients or commodities for sale; and**

14 **(2) the person acquiring the property is occupationally**  
 15 **engaged in the production of food or commodities that the**  
 16 **person:**

17 **(A) sells for human or animal consumption; or**

18 **(B) uses for further food and food ingredients or**  
 19 **commodity production.**

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